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Don't keep employees in dark about e-biz

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Many companies are finally getting e-business, but are often failing to properly manage the change, particularly with their staff and business partners.

I regularly encounter situations in which a company is promoting an e-biz application, yet staff remain clueless about the effort. A case in point is Air Canada.

When I wrote about the company a year ago, my main complaint was that it was encouraging customers to book their flights on-line, yet had done little to make staff aware of this. As a result, employees were sending out negative signals to customers, implying that they shouldn't, in fact, book over the Internet.

I still don't think the airline has tackled the issue. In recent months, I've had problems with on-line reservations and called the airline, but most of the agents have professed to know little about its e-business initiative. Some have never even seen its Web- and PC-based booking systems.

This astounds me, as there is a very powerful reason why Air Canada would want to encourage people to arrange their own bookings: It saves the airline money. Southwest Airlines, for example, now books at least one out of every three tickets through its Web site, and figures that it costs a dollar or less for each transaction, compared with $26 (U.S.) or more through traditional channels.

How can Air Canada hope to increase usage of its on-line ticketing if its front-line staff aren't actively encouraging customers to participate?

This isn't an isolated problem. Companies are not helping staff deal with the changes coming from e-biz initiatives, and not viewing it as an important component of their success.

And it isn't just the staff that needs to be carefully managed. A company needs to think about its distributors, wholesalers and other business partners.

A survey last year on the opportunity to reinvent the supply chain by Economist magazine and Meritus Consulting found that keeping staff informed can be a big problem. Indeed, 42 per cent of the senior supply chain management executives in Fortune 500 companies that were questioned indicated that "ineffective change management" was one of the biggest barriers to success.

E-biz isn't like a mushroom that will flourish in the dark. Communication is critical. The far-reaching impact of e-biz means that throughout the life of an on-line project, management has to keep staff in the know.

One company I worked with established an e-biz team, and sent it off to work in secrecy. The office rumours reached a feverish pitch, almost dooming the effort from the start since so many wild ideas were springing up.

One of the first things that an organization should do is educate staff and partners as to the reason for the initiative. They need detailed guidance on how things are going to unfold, and what they can expect each step of the way.

Companies also must deal with the issue of suspicion among employees, who might fear that the intent of an e-business initiative is to put them out of a job.

Finally, firms should give everyone an opportunity to participate. People will embrace e-biz if they can play a part. To do this, make sure they have the skills, tools and training necessary to let them play a meaningful role. If employees and partners believe they're part of the project and will share in its rewards, they'll be full supporters.

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